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**HOW CAN PORTUGAL ATTRACT MORE CHINA'S YOUNG GENERATION
TOURISTS?**

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ABSTRACT

How can Portugal attract more China's young generation tourists?

Portugal as a tourism destination has great potential to be further developed, however it is still not well known by the Chinese outbound tourists, especially the young generation who would stay longer and spend more in Portugal. This paper describe the current situation of Portugal tourism in Chinese outbound market, after analyzing explained why Portugal should aim at the young generation, and finally gave some recommendations of how to attract them, mainly through social media platforms.

Keywords: Portugal; Tourism Market; Chinese young generation; Communication.

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1. Introduction

Portugal tourism has great potential to be further developed, not only because of its rich and sustainable tourism resources, but also the steady growing tendency of competitiveness.

Portugal has about 3000 hours of sunshine per year, 850 km of beaches at the coast of the Atlantic Ocean, also the plentiful leisure activities, unique cultural heritage, plus its exquisite cuisine, fine wines and hospitable people. (Source: Turismo de Portugal)

According to the World Tourism Organization, in 2015 Portugal was the 15th World market and 8th in the EU in terms of competitiveness (See appendix 1), and according to the Banco de Portugal, Tourism Revenues reached the highest point 1763.55 million euro in August of 2016. (See appendix 2)

With this obvious tendency of the increasing of Portugal's tourism market, it is clear to see that tourism of Portugal has the great potential to be further developed. As one of the pillar sectors of Portugal's economic (see appendix 3), the development of tourism industry would bring more progress to the country. One of Portugal's target markets that need to be particularly pay attention to is China's outbound tourists, especially the young generations that were born after 1980, who have become the core force of the market.

Portugal already has conscious about the potential of China's outbound tourists market and has made great efforts to attract them, however, the segmentation of the target customers is not precisely defined which leads to a less effective communication to the customers. In this article, several recommendations for Portugal tourism are provided based on the analysis and hypotheses, which aim at selection of the target customers and improvement of communication in order to attract more Chinese tourists for Portugal.

2. Literature Review

With the growing of China's outbound tourists' impact, the related researches have been contributed in this area, in which the "Tourism Planning & Development: Chinese Outbound Tourist 2.0" edited by Xiang Li (2015), a set of articles, gives a detailed overview of the market that points out Chinese tourists have distinct different needs depend on their preference and behavior, which can be seen on the choice of the destination, profession, age, consuming behavior, social media usage, and even the policy of the country.

Wolfgang Georg Arlt (2013) argued in the same book that the Chinese Tourists should not be seen as one type of tourists, especially in a circumstance that they have huge population and complexity, which gave us a hint the importance of segmentation; Yixian Xiang of Ningbo University focused her study on the Chinese independent travelers that pointed out their amount is growing while they try hard to differentiate themselves from package tour tourists.

As for the segmentation, the research "Segmenting Markets by Bagged Clustering: Young Chinese Travelers to Western Europe" done by Girish Prayag, Marta Disegna, Scott Allen Cohen, and Hongliang Yan (2013) provided a creditable segmentation basis by analyzing a sample of 403 travelers.

In the "Potential Chinese travelers to Western Europe: segmenting motivations and service expectations" by Scott Allen Cohen & Hongliang Yan (2015), the authors focused on the independent Chinese young travelers and identified three clusters of visitors (the constrained traveler, the group traveler, and the modified independent traveler) based on their service expectations and profiled using their motives and socio-demographics. They suggest "*a nascent Chinese independent travel segment that does not conform to Western*

conceptualizations of the 'typical' attitudes and behaviors of such visitors."

The data and facts provided by China National Tourism Administration, the World Travel and Tourism Council, China Tourism Academy, gave an overall understanding of the China's outbound tourism market.

On the other hand, researches and studies of Portugal as a tourism destination are also well conducted. Organizations like Turismo de Portugal and AICEP Portugal Global have done several studies and provide authoritative information and data that help to understand the current situation of Portugal.

In the chapter *Tourism Management in Portugal* of "Nation Branding: Concepts, Issues, Practice" by Keith Dinnie (2015), the fact that Portuguese economy is highly independent on the tourism industry has been pointed out, together with the moves Portugal government made after defined the difficulties of promoting Portugal's tourism in 2008, such as reduced the 19 regions of Portugal to 5 regions, reinforced the communication and set up new strategy. According to the author, the ten main products that Portugal could offer are: "Touring, Nature, Sea and Sun, Nautical, City Breaks, Gastronomy, Business, Golf, Health and Residential". The promotion should be focused on the brand rather than the product, so in Portugal's case, the main problem is how to promote Portugal as a Brand.

Another previous study about Portugal's tourism and development is "OECD Tourism Trends and Policies 2014" by OECD (2014). In the book, the chapter "country profiles: tourism trend and policies - Portugal" gave an overall introduction of Portugal's tourism and related policies & programs, including the Portugal national strategic plan for tourism 2013-2015. The studies and researches above provided supporting theory and data for this article.

3. Analysis

3.1 China's outbound tourism market

China's outbound tourism is definitely one of the most important and developable market, which has caught the attention of the tourism industry from every corner of the world, with its large number of population, huge capacity of consumption, and the constant growing of the market.

According to China Tourism Research Institute, the outbound Chinese tourists reached 59.03 million in the first half of 2016, which increased 4.3% over the same period of 2015. The total amount of Chinese outbound visitor reached 117 million in 2015, and they spent 292 billion US dollars in the same year, which makes the China's outbound market the world's biggest market, 3.6 times the US market (32.8 million in 2015), and 7.2 times the Japanese market (16.21million in 2015) (See appendix 4). According to World Travel Organization, there will be an estimate of 200 million Chinese people travelling abroad by 2020. (Source: CLSA Investment Bank)

China has become the top tourist source country of many countries such as Thailand, Japan and South Korea. Even though Chinese tourists showed a preference of travelling in short distance, Europe, although far away, still remains the most popular destination for Chinese travelling outside of Asia, with 9.7 percent of increasing in the amount of overnight visitors in the last four years. (See appendix 5)

At the same time, the behavior of Chinese tourists has been changed profoundly. According to the research data from "Potential Chinese travelers to Western Europe: Segmenting motivations and service expectations", 56 percent of the Chinese tourists are female, 84.5

percent are under 35 years-old; 54.1 percent are aged between 18-25, while 30.4 percent are aged 25-35, and only 15.4 percent are 35-above. (See appendix 6)

To study Chinese tourists and to attract them, the young generation (born after 1980s) should be the most important part to pay attention to. It is clear to see that the young generation has become the mainstream of the travelers, who have different preference and seek for different type of travelling than their parents, which require a different marketing strategy.

Comparing with the older generation that are always travelling in groups, spending lot of time shopping and always having a very busy scheduling, the Chinese younger tourists would rather spend more money and time entertaining themselves. They always seek for good quality tourism such as better accommodation, better food, more historical and culture touch, and spending more time in exploring the visiting place: in the first half of 2016, the average duration of stay in each destination was 2.3 days, 0.4 day more than the same period of 2015.

They are proud to call themselves travelers, not tourists, to separate them from the older generations. Even though group tour was still the mainstream (over 50 percent of the Chinese travelers' choice), but independent tour also increased and became a tendency, especially among the younger generations, they prefer independent traveling and personalized trips because they value more personal experience and flexibility.

They are also technological savvy, most of the young people in China are indulged in using cellphones, and they are more than happy to share their traveling experience and personal life on the social media platform.

With so many differences and changes of the target market, destinations like Portugal that want to attract more Chinese tourists need to study the Chinese younger generations' behavior

and minds, to set up a different strategy to attract them and to make the best use of the growth of China's outbound tourism market.

3.2 Current situation of Portugal Tourism in China

Portugal, as many other countries, has a huge amount of Chinese visitors, which reached 155,000 in 2015, a rise of 36 percent compared to 113,177 in 2014, and spent around 60 million euros in 2015. According to statistics from Global Blue, the average aggregate value in 2015 of tax-free shopping purchases by Chinese visitors in Portugal was 641 euros, more than twice the average aggregate of 278 euros spent by visitors to Portugal from the country's top five feeder markets.

However, on the contrary of the strong performance and the constant growing, Chinese tourists on average spend only around two days in Portugal. The Chinese tourists prefer multi-countries visits in Europe, and since Portugal is usually not the first choice, they tend to spend less time in each of the countries to visit more destinations.

Usually, Portugal is not one of the Chinese tourists' first choice destinations in Europe (the 2015 Top 3 Chinese tourists' favorite European destinations are: France, Italy and Switzerland). Although Chinese tourists have high interests in visiting Europe, but only a few of them choose to visit Portugal. In 2015, the total amount of Chinese tourists visiting Europe is 12,500,000, only 1.2% of them came to Portugal (155,000).

As the growing of importance of Chinese outbound tourists, Portugal made its effort to promote its tourism in China. In 2016, Portugal increased the number of visa centers in China, from only two centers (Beijing and Shanghai) to eight centers that covers most of the densely populated provinces, made it easier for Chinese tourists to apply a short term visa (90 days).

Also, the first direct flight between Beijing and Lisbon is scheduled to start from June 2017, which was made during Portugal's former Prime Minister Antonio Costa's state visit to China in 2016.

In 2014, the government used Cristiano Ronaldo's image rights to promote the country in China, and Turismo de Portugal has now begun circulating promotional material on Chinese social network like Sina Weibo this year to strengthen the country's presence on Chinese social networks.

Still, the Chinese perceptions of Portugal comparing to countries like France are yet not ample enough. According to the book "Nation Branding: Concepts, Issues, Practice" by Keith Dinnie, the ten main products that Portugal could offer are: "Touring, Nature, Sea and Sun, Nautical, City Breaks, Gastronomy, Business, Golf, Health and Residential". While thinking of Portugal, the most of Chinese remind of Macau, the Discovery and Navigation, football, and together with Spain. The worst part is that people in China always see Portugal and Spain have little difference and confound them easily.

In order to attract more of Chinese tourists and keep them stay longer in Portugal, one of the key factors need to be reinforced is communication towards selected target customers, to change the low awareness of Portugal in China.

3.3 Segmentation

Since China is a country with a huge population and varieties, different groups have very different needs, so segmentation is indispensable to understand and target the audience. As mentioned before, 84.5 percent of Chinese outbound tourists are under age of 35 (born after 1980 calculating in 2015), so in this thesis, the main segmenting subject is the China's young

generation tourists, also known as the post 80s/90s/00s in Chinese culture.

The previous study “Potential Chinese travelers to Western Europe: segmenting motivations and service expectations” by Scott Allen Cohen & Hongliang Yan, gives an inspirational example of identification three clusters of the independent Chinese young travelers based on their service expectations and profiled using their motives and socio-demographics.

In order to segment Chinese young generation tourists, the following approaches are going to be used: socio-demographic, Psychographic and Behavioral, based on the creditable sample data source and analysis from the previous study of Scott and Hongliang, (See appendix 7) the following three types of China’s young generation tourists can be defined.

1). The undeveloped travelers

The undeveloped Chinese travelers are mostly single young male between the age of 21-25, who have low income (≤ 3000 RMB or 400 Euros). They are the potential visitors that value more the importance of the motives “Natural/Cultural Attractions & Learning” and “Relaxation”, and value less the importance of “Self-fulfilment & Socialization” and “Shopping”. In other words, they tend to visit places with strong cultural or natural attraction to learn more about the destination, instead of purchasing goods or making themselves feel better, but only in a condition of the possibility of cost controlling, and generally prefer to travel alone.

The undeveloped travelers can be seen as the young Chinese people who want to travel, but with the economical restrains, they have no means to afford traveling abroad currently. During the age of 21 to 25, lots of them are still university students, master students, or freshmen at work; it is understandable that they suppress currently their demand of traveling. But with the

growing of their ability to consumption, they would be able to become the mainstream of Chinese young generation outbound tourists.

2). The group travelers

The second type has more females than males, which is the group travelers, who are single or married, possible with children, slightly older than the undeveloped traveler mentioned before, and also the financial conditions are better; they tend to have a good monthly income and they are mostly full-time employed.

On the other hand, the group travelers have some similarities with the undeveloped travelers in terms of motivations of traveling. They also showed low concerns about “Self-fulfilment & Socialization” and “Shopping”, but comparing to the undeveloped travelers, the group travelers value more about the importance of “Natural/Cultural Attractions & Learning” and “Relaxation”.

The group travelers prefer to travel in a group with their families, friends and partners. The reason that they choose the package tour is that they could concerned less about the travel and be more relax, however, if there is a possibility, they would like to try also the independent traveling in a condition of having the tour well planned and companied. Their also prefer to visit multiple European countries on a single trip, and they are the typical Chinese outbound tourists’ profile perceived by the European countries.

3). The independent traveler

The third type identified is the independent young travelers, who are mostly single and between the age of 21 to 30, and has the high proportion of females, which might attributes to the traditional role of Chinese women in their families that is independent and controlling the

family's decisions.

The Chinese independent travelers normally do not belong to the high social class and have limited income. Unlike the undeveloped travelers, they prefer to travel with friends and family, but not as many people as the group travelers.

The independent travelers like to set up their own tours and searching for relevant tourism information. They think the “Self-fulfilment & Socialization”, the “Natural/Cultural Attractions & Learning”, “Relaxation” and “Shopping” are extreme important traveling motivations, because they value their own experience and feeling as well as the destination and the visiting. They are similar as the current backpackers in Europe in terms of the motivations, however, they also have “Chinese touches”, which are the need of company of friends and family during the visiting, and the importance they think about shopping; comparing to the backpackers in western countries, the Chinese independent travelers are less likely to travel alone and spend more time on shopping.

3.4 Competitor

Consider of competition in the European countries, not every of them should be considered as the main competitors of Portugal, because they do not fit the same needs of Chinese tourists and in their conceptions they do not belong to the same catalogue.

Countries like France and Italy that have great cultural appealing to Chinese tourists are seem as over developed destination. However, Portugal belongs to a catalogue that is less famous and not over explored by Chinese tourists, but people's interests towards it are increasing. In the same catalogue we can find Spain, Morocco, Czech, Greece, Poland and other less famous European countries.

As mentioned before, Chinese tourists usually see Portugal similar with Spain, not only location but also the language and culture, for who have little knowledge of these two countries, they are basically the same. Thus, we should consider Spain to be the biggest competitor that Portugal should differentiate itself from.

3.5 SWOT Analysis

To further analysis the current situation of Portugal tourism in China, a SWOT analysis is inevitable to study both external and internal environment.

Strength: 1. Portugal has great cultural and historical heritage; 2. Portugal has excellent climate; 3. Portugal has abundance nature tourism resource for both sightseeing and outdoor activities; 4. Comparing to other countries, visiting Portugal costs less because of the lower price of living; 5. Portugal has a historical connection with China, Macau; 6. Portugal is safe, no terrorists attack like other European countries.

Weakness: 1. Lack of awareness; 2. Long distance between Portugal and China and lack of direct flight (for now); 3. The visa requirement of visiting Portugal brings inconvenient; 4. Portugal is still not totally recovered from its financial crisis, so there may not be enough investment to support the development of tourism industry.

Opportunities: 1. Chinese young generation are looking for a less explored new destination in Europe, Portugal fits the need; 2. The relationship between China and Portugal is in a steady but friendly stage, both sides have the intention to further cooperate and communicate; 3. The Schengen Area can be visit with only one Schengen visa, which increases the opportunity for Portugal to be visit even it might not be the first choice.

Threats: 1. Portugal is difficult to be differentiated from Spain because the little differences

seen by Chinese tourists; 2. the world's economic situation may go down and affect the tourism industry of Portugal; 3. The terrorists attack in Europe may terrify some Chinese tourists and refuse to visit Europe.

In summary we have the SWOT analysis table:

<p><i>Strength:</i></p> <ol style="list-style-type: none"> 1. Great cultural and historical heritage 2. Excellent climate 3. Abundance nature tourism resource 4. High performance-price ratio 5. Historical connection with Macau 6.Safety 	<p><i>Weakness:</i></p> <ol style="list-style-type: none"> 1. Lack of awareness 2. Long distance & no direct flight 3. Difficult visa requirement policy 4. Financial crisis, not enough investment
<p><i>Opportunities:</i></p> <ol style="list-style-type: none"> 1. the need of a new destination in Europe 2. The well developing cooperation 3. The Schengen visa brings more possibility of visiting Portugal. 	<p><i>Threats:</i></p> <ol style="list-style-type: none"> 1. Difficult to be differentiated from Spain 2. the bad world's economic situation 3. The terrorists attack in Europe

4. Communication plan

4.1 Target audience

After analyzing the segmentation of Chinese young generation tourists and the current situation of Portugal tourism in China, the independent travelers should be selected as the target audience, and the group travelers should be considered as the secondary target audience.

First, Portugal matches the need of independent Chinese young travelers. They are the ones that seeking for both personal experience and cultural/natural attraction, which could be offered by Portugal perfectly with its great tourism resources; nevertheless, Portugal stands out as an ideal destination among the young independent Chinese travelers because of the quality of tourism with a relatively low cost. The independent young travelers are usually price sensitive since they are not affluent, they would prefer to explore in depth one or two European countries and spend less, rather than visiting multiple destinations with less time spending on each but more costs. Portugal's high performance-price ratio will be the biggest reason why they choose it, and the great tourism resources will be the reason why they would stay longer.

Second, for Portugal the independent travelers are better choices, because they usually stay longer in one country, which means that they spend more in that country than the group travelers, especially for Portugal which is usually ignored by the Chinese group travelers; also, Portugal is a delicate but small country, which has limited ability to receive the mass tourism market, not only because of the infrastructures challenges, but also that too much tourists will ruined the beauty. Therefore Portugal as a tourism destination needs higher spending tourism.

The secondary target audience is the Chinese young group travelers, who are more affluent and have higher consumption ability. They prefer multiple destinations in a single trip, so likely Portugal is not their first choice which makes it difficult to keep them stay longer. However, with the increasing of the awareness of Portugal as a brand, the group travelers would consider to put Portugal in the list of destination European countries, even with a short stay. Since they are less price-sensitive, they would like to purchase more in the luxury goods and spend more money in the tour to Portugal.

As for the undeveloped Chinese young travelers, since they are not able to afford traveling abroad, they should not be considered as our target audience. Eventually when they gain the consuming ability to visit Europe, they would fit the segments of either the independent travelers or the group travelers.

4.2 Objectives

The objectives of this communication plan are: 1. Create more awareness of Portugal as a desired destination among Chinese young generations; 2. Arouse the purchase intention (visiting Portugal) of the Chinese tourists; 3. Make them stay longer in Portugal.

4.3 Positioning statement

Portugal is a new travel destination in Europe for China's young independent travelers that offers tourism of high performance-price ratio because Portugal has great tourism resources and low cost of living.

4.4 Creative strategy

To achieve the communication objectives, a series of creative communicating activities should be carried out online, especially on the internet because our target audiences are the

young generation.

1) Video Advertise

The first idea is to produce a very nice and short video as advertisement. This video should be less than 60 seconds and should include as much aspect of Portugal tourism as possible. In the video the following information should be included: Cristiano Ronaldo, the beautiful landscape and beach of Portugal, historical architecture, exquisite food, outdoor sports like surfing and diving, and the cultural symbols. It can start with Cristiano Ronaldo asking, “Do you know the country I grew up?”, then followed by a brief and charming introduction of Portugal while showing the sceneries, at last ended by Cristiano saying: “Welcome to Portugal, China!”.

Then work together with the local Chinese video website such as Youku, to have this ad posted before playing their context (the same way YouTube does for ads). These video websites have their methods of analyzing their users’ preference, thus the requirement of selecting their users that fit the target audience’s image should be asked before posting this ad, to make this communication more efficient.

The perfect timing of posting: one month before the big festivals (Chinese New Year and National Day) and on the beginning of summer vacation.

2) Online Celebrities Plan

In China’s social network, the phenomenon of online celebrities is getting more and more serious. Portugal could use this unique communication channels to create more buzz on the social media.

First, selected three popular online celebrities who should be known as famous traveler that

have visited many countries, famous gourmet that like tasting food all over the world, and beautiful model taking photos while traveling, so that their fans could cover better our target audience.

Then, pay them to do a five-day-advertisement for Portugal tourism separately. In these five days, they should come to Portugal, post photos and feelings every day, sharing their experience, and webcast one hour per day to talk on live with their fans about their trip.

3) Travel Ambassador

To make more buzz and encourage the participation of the target audience, a competition called “Looking for the Travel Ambassador” can be introduced to the public. Social media Douban is ideal to work with, which is famous among the young people that love culture and art, especially its function of Groups provides an ideal selection of target audience.

This competition among the people who like traveling; the participants need to write an article about Portugal as a tourism destination and to create their own itinerary of seven days in Portugal. The winner can have one week free tour in Portugal according to their itinerary, including visa cost, transportation and accommodation, and also 1000 euros of travel fund.

The competition would last for one week; the participant that gets the most votes wins. In order to get more votes, they need to send the link of their article to their friends and family to ask for support, therefore, more people will know this competition and read the articles write carefully by the participants about Portugal tourism.

After finding the winner, the travel ambassador, the article and seven-days travel journal he or she writes will be post on the official website of Turismo de Portugal, Portugal Embassy, and Douban first page, if possible even in the traveling magazine.

5. Conclusion

Portugal as a tourism destination is no doubt very charming that has plenty of excellent tourism resources to be explored and experienced. However, with its low awareness in China, it is a pity that most of Chinese tourists are not familiar with this amazing country. As my personal experience here in Lisbon for one year and a half, most of the Chinese tourists I met were package travelers that only spend one day in Lisbon, seeing one or two historical visiting points, went shopping, then hurried up to the next country.

In my eyes, Portugal deserves a better visiting because it is a country with so many things to be seen and so many things to be done. If the Chinese young travelers knew better about Portugal, they would spend more time here to enjoy, both independent travelers and group travelers, which would be a win-win situation, for Portugal tourism and Chinese travelers. That is also my personal purpose of writing this thesis, to find out whether there is a possibility to promote better Portugal in China's young generation.

After analyzing and generating ideas, it is clear to see that there is still a lot to do in terms of communication with the young generation travelers to create more brand awareness. Chinese young generations are different from the "typical" Chinese profile, they are also different from western countries' young generations, thus, they require a unique and in depth understanding, which is easily to be ignored.

In the previous promotion and communication of Portugal tourism, the uniqueness of the young generation Chinese tourists was not very clearly defined and the communication towards them was not conducted effectively. The main idea of this thesis is to improve the promotion of Portugal by reinforcing the communication to the selected Chinese young generations and find the "Chinese way" to send the right message. The creative strategies

given in the Communication Plan may not be professional, but they are the inspirational examples that give a concept of how to communicate with Chinese young generations.

Besides the promotion, some other works could also be done by the concerned authorities.

One of the actions taken by Portuguese government that still have space to be enhanced is the implementation of the opening of direct flight between Lisbon and Beijing. Even though the agreement is already signed, the following process and implementation still need to be monitored and pressed strongly by the Portuguese authorities to make it success, because it is one of the key factors that would increase the attraction of affluent Chinese travelers by facilitating the transportation.

This thesis is just to serve as a modest spur to induce someone to come forward with his or her valuable contributions such as related researches and practices to this area, which I sincerely hope would bring a better future to Portugal tourism.

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9. **For additional information please use the link:**

<https://makeawebsitehub.com/chinese-social-media-statistics/>

7. Appendix

1. The Travel & Tourism Competitiveness 2015 Ranking

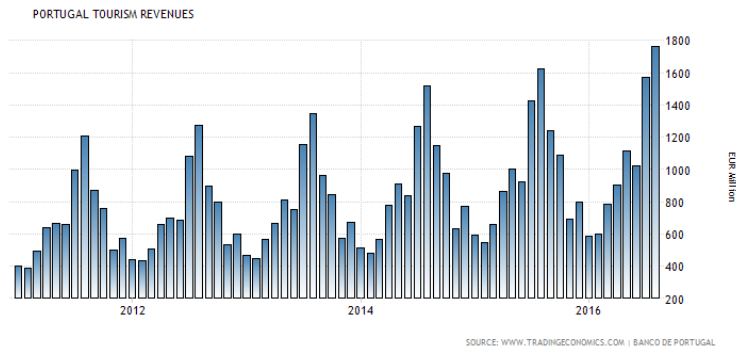
Table 1: The Travel & Tourism Competitiveness Index 2015 Ranking

Rank	Country/Economy	Value							
1	Spain	5.31							
2	France	5.24							
3	Germany	5.22							
4	United States	5.12							
5	United Kingdom	5.12							
6	Switzerland	4.99							
7	Australia	4.98							
8	Italy	4.98							
9	Japan	4.94							
10	Canada	4.92							
11	Singapore	4.86							
12	Austria	4.82							
13	Hong Kong SAR	4.68							
14	Netherlands	4.67							
15	Portugal	4.64							
16	New Zealand	4.64							
17	China	4.54							
18	Iceland	4.54							
19	Ireland	4.53							
20	Norway	4.52							

Country/Economy	T&T Policy and Enabling Conditions Pillars, values				Infrastructure Pillars, values			Natural and Cultural Resources Pillars, values	
	Prioritization of T&T	International Openness	Price Competitiveness		Air Transport	Ground and Port Infrastructure	Tourist Service Infrastructure	Natural Resources	Cultural Resources & Business Travel
SOUTHERN AND WESTERN EUROPE									
Spain	5.89	3.93	4.22	4.61	4.91	5.54	6.58	4.59	6.69
France	5.16	4.22	2.95	4.67	4.98	5.78	6.15	4.80	6.56
Germany	4.84	4.24	3.62	4.90	4.93	5.99	5.61	4.41	6
Switzerland	5.64	4.11	2.57	5.63	5.03	6	6.35	4.32	2.93
Italy	4.62	4.09	3.49	4.34	4.26	4.65	6.66	4.60	6.51
Austria	5.52	3.99	3.49	5.13	4.01	5.42	6.83	4.07	2.92
Netherlands	4.66	4.25	3.56	4.81	4.89	6.21	4.62	3.19	3.51
Portugal	5.46	4.21	4.23	4.42	3.91	4.54	6.12	3.70	3.71
Belgium	4.47	4.13	3.73	4.28	3.83	5.96	5.65	2.65	3.67
Luxembourg	4.64	4.25	4.10	5.23	3.59	5.73	4.67	3.09	1.62
Greece	5.36	4.09	3.93	4.19	4.25	4.01	6.08	3.49	2.82
Croatia	4.51	4.14	4.28	4.38	3.06	4.20	6.35	3.80	2.67
Cyprus	5.96	3.75	3.97	3.92	3.48	4.91	6.77	2.66	1.88
Slovenia	4.93	3.70	4.34	4.74	2.44	5.13	5.72	3.87	1.40
Malta	6.03	3.94	4.22	4.17	3.83	4.98	5.61	2.22	1.44
Montenegro	4.57	2.44	4.48	4.30	3.03	3.51	5.84	2.76	1.09
Macedonia, FYR	4.41	2.36	4.55	3.65	2.39	3.25	4.58	2.15	1.30
Serbia	3.83	2.39	4.56	4.08	2.13	2.95	4.50	1.90	1.61
Albania	4.03	2.34	4.38	3.60	2.16	3.01	3.94	2.03	1.14
Southern and Western Europe average	4.98	3.71	3.93	4.48	3.74	4.83	5.72	3.38	3.13
Europe standard deviation	0.65	0.72	0.54	0.52	0.99	1.08	0.87	0.95	1.95

Country/Economy	TTCI INDEX		Enabling Environment Pillars, values				
	Regional rank	Global rank	Business Environment	Safety and Security	Health and Hygiene	Human Resources and Labour Market	ICT Readiness
SOUTHERN AND WESTERN EUROPE							
Spain	1	1	4.09	5.97	6.11	4.87	5.26
France	2	2	4.52	5.44	6.52	4.96	5.55
Germany	3	3	5.32	6.06	6.85	5.18	5.51
Switzerland	5	6	5.76	6.32	6.50	5.64	6.03
Italy	6	8	3.59	5.68	6.27	4.45	5.14
Austria	7	12	4.94	6.47	6.97	5.09	5.70
Netherlands	8	14	5.44	6.16	6.24	5.13	5.96
Portugal	9	15	4.54	6.33	6.06	5.18	4.97
Belgium	13	21	4.71	6.18	6.49	5.03	5.47
Luxembourg	16	26	5.73	6.46	6.26	5.16	6.09
Greece	18	31	4.04	5.49	6.57	4.75	4.71
Croatia	19	33	3.65	6.00	6.33	4.41	5.03
Cyprus	20	36	4.72	6.00	5.80	5.16	4.63
Slovenia	23	39	4.03	6.20	6.05	4.69	5.07
Malta	24	40	4.76	6.03	6.35	4.61	5.24
Montenegro	33	67	4.39	5.69	5.71	4.85	4.42
Macedonia, FYR	34	82	4.87	5.75	5.99	4.47	4.47
Serbia	35	95	3.38	5.46	6.04	4.29	4.45
Albania	36	106	4.11	5.34	5.22	4.68	4.07
Southern and Western Europe average			4.56	5.95	6.23	4.87	5.14
Europe standard deviation			0.69	0.35	0.41	0.35	0.59

2. Portugal Tourism Revenue 2011-2016



3. The importance of tourism sector in Portugal

2015 ANNUAL RESEARCH: KEY FACTS¹

GDP: DIRECT CONTRIBUTION

The direct contribution of Travel & Tourism to GDP was EUR10.4bn (6.0% of total GDP) in 2014, and is forecast to rise by 3.1% in 2015, and to rise by 2.5% pa, from 2015-2025, to EUR13.7bn (6.9% of total GDP) in 2025.

GDP: TOTAL CONTRIBUTION

The total contribution of Travel & Tourism to GDP was EUR27.3bn (15.7% of GDP) in 2014, and is forecast to rise by 2.2% in 2015, and to rise by 1.9% pa to EUR33.6bn (17.0% of GDP) in 2025.

EMPLOYMENT: DIRECT CONTRIBUTION

In 2014 Travel & Tourism directly supported 337,000 jobs (7.4% of total employment). This is expected to rise by 4.1% in 2015 and rise by 1.8% pa to 420,000 jobs (9.1% of total employment) in 2025.

EMPLOYMENT: TOTAL CONTRIBUTION

In 2014, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 18.4% of total employment (831,500 jobs). This is expected to rise by 3.2% in 2015 to 858,000 jobs and rise by 1.1% pa to 960,000 jobs in 2025 (20.9% of total).

VISITOR EXPORTS

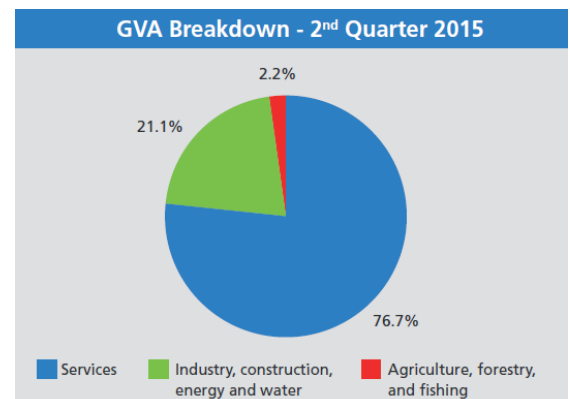
Visitor exports generated EUR13.4bn (19.7% of total exports) in 2014. This is forecast to grow by 2.2% in 2015, and grow by 2.8% pa, from 2015-2025, to EUR18.0bn in 2025 (22.7% of total).

INVESTMENT

Travel & Tourism investment in 2014 was EUR2.5bn, or 9.4% of total investment. It should rise by 1.2% in 2015, and rise by 0.5% pa over the next ten years to EUR2.6bn in 2025 (9.3% of total).

¹All values are in constant 2014 prices & exchange rates

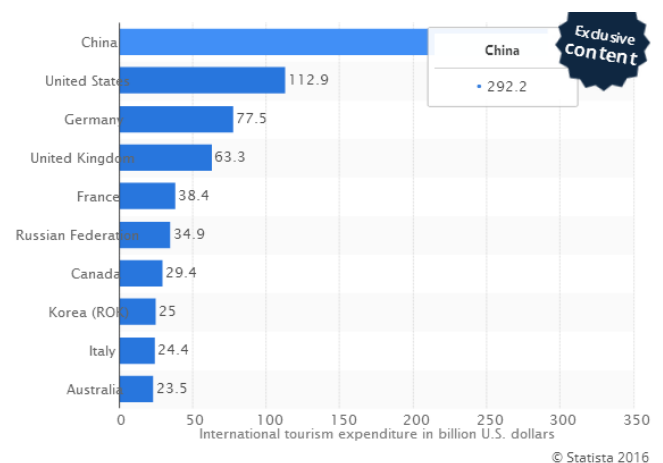
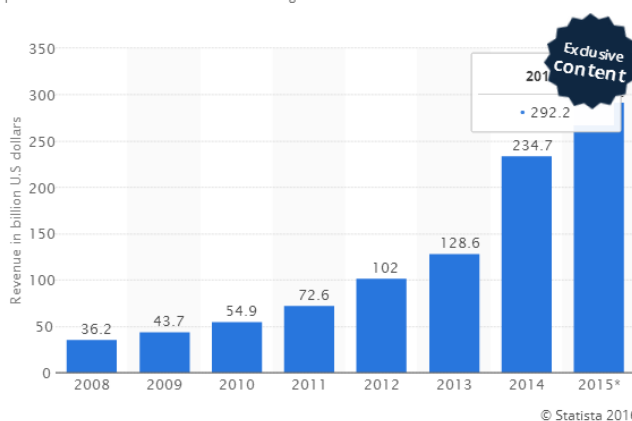
2015
forecast



4. Chinese outbound tourists expenditure 2008-2015; 2016 tourists expenditure comparison

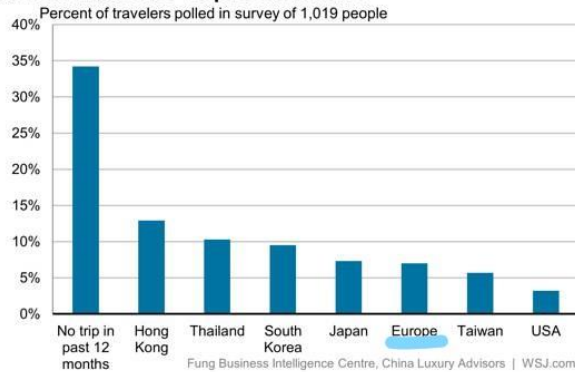
International tourism expenditure of Chinese tourists from 2008 to 2015 (in billion U.S. dollars)

The graph shows expenditures of Chinese international tourists until 2015. In 2011, Chinese tourists spent about 73 billion U.S. dollars while traveling.

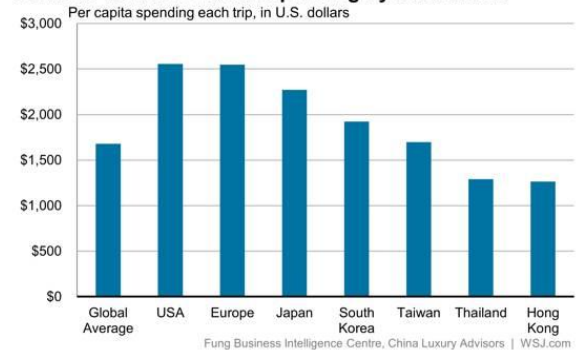


5. Chinese travelers top destinations and retail spending by destination

Chinese Travelers' Top Destinations



Chinese Travelers' Retail Spending by Destination



6. Chinese young tourists socio-demographic profile of sample

Table 1. Socio-demographic profile of sample.

Demographics	Frq.	%
<i>Gender</i>		
Male	174	43.2
Female	229	56.8
<i>Marital status</i>		
Single	249	63.2
Married with no children	54	13.7
Married with children	90	22.8
Other	1	0.3
<i>Age</i>		
18–20 years old	56	14.0
21–25 years old	161	40.1
26–30 years old	53	13.2
31–35 years old	69	17.2
36–40 years old	27	6.7
>40 years old	35	8.7
<i>Education level</i>		
Middle school	1	0.3
High school or equivalent	11	2.8
University/college degree	236	59.4
Postgraduate degree	146	36.8
Other	3	0.8
<i>Average monthly income</i>		
<3000 RMB (<482 USD)	194	48.9
3001–7000 RMB (483–1124 USD)	81	20.4
7001–11,000 RMB (1125–1767 USD)	51	12.8
11,001–15,000 RMB (1768–2409 USD)	31	7.8
15,001–19,000 RMB (2410–3051 USD)	15	3.8
19,001–23,000 RMB (3052–3694 USD)	14	3.5
23,001–27,000 RMB (3695–4336 USD)	4	1.0
>27,000 RMB (>4336 USD)	7	1.8
<i>Employment status</i>		
Full-time	213	53.1
Not employed	8	2.0
Student	179	44.6
Other	1	0.2
<i>Main purpose of travel</i>		
VFR	16	4.0
Study	81	20.1
Work	21	5.2
Holiday	329	81.6
Other	10	2.5
<i>Length of stay in Western Europe on next trip</i>		
<1 week	50	12.5
1–2 weeks	194	48.5
3–4 weeks	48	12.0
1 month	46	11.5
2–3 months	11	2.8
4–6 months	20	5.0
>6 months	31	7.8
<i>Previous visit</i>		
0 times	305	77.4
1–2 times	72	18.3

Table 1. Continued.

Demographics	Frq.	%
3–5 times	9	2.3
>5 times	8	2.0
<i>Person travel with on next trip</i>		
Alone	46	11.7
Friends	89	22.6
Family	155	39.3
Partner	80	20.3
Multiple options	24	6.1

Note: Frq. indicates the frequency count of respondents in each cell.

7. The results and analysis of segmentation factors

Table 2. Results of cluster analysis.

	Clusters		
	I	II	III
Complimentary linen and towels	3.94	5.66	6.28
Safety deposit boxes	4.08	3.77	5.61
Front desk open 24 hours	4.41	5.42	6.41
Hotel/hostel be part of an international chain	3.94	4.99	6.01
Hotel/hostel has a good reputation	4.16	5.66	6.35
Hotel/hostel and destination information available in Chinese	4.15	4.79	6.42
On-site parking facilities	3.83	3.18	5.09
Same sex rooms	4.30	4.14	5.39
Chinese speaking staff at hotel	4.13	4.23	6.09
Internet facilities on site	4.85	6.12	6.59
Variety of rooms (single, double, twin and dormitories)	4.13	5.73	6.61
Close to tourist spots and amenities (e.g. transport)	4.49	5.69	6.41
Adequate facilities in room (e.g. kettle for hot water)	4.19	5.57	6.51
Complimentary Chinese tea	3.89	3.34	5.33
Clean kitchen, bedroom and bathroom	4.45	6.17	6.67
Laundry facilities	4.24	4.12	5.82
One-use toiletries	4.10	4.30	5.84
Fully equipped communal kitchen	4.44	3.34	5.03
Access to kitchen 24 hours	4.54	3.16	5.32
Close to Chinese grocery stores and Chinese restaurants	4.24	3.80	5.80
Restaurants serving Western food with Chinese menus	4.36	4.17	6.10
Restaurants serving Western and Asian fusion food with Chinese menus	4.18	4.17	6.15
Rail travel pass options	4.42	5.72	6.31
Hop-on, hop-off coach pass options	4.54	5.41	6.24
Affordable short-haul flights	4.39	5.54	6.21
Ease of access to rental cars	4.70	4.99	6.32

Table 5. Chi-square results on demographics.

Demographic characteristics	Cluster I % (Frq.)	Cluster II % (Frq.)	Cluster III % (Frq.)	Significance
<i>Gender</i>				$\chi^2=15.12$, $p<0.01$
Male	55 (66)	46 (58)	32.1 (50)	
Female	45 (54)	54 (68)	67.9 (106)	
<i>Marital status</i>				$\chi^2=19.05$, $p<0.01$
Single	69.6 (80)	53.7 (66)	66.2 (102)	
Married with children	12.2 (14)	33.3 (41)	22.7 (35)	
Married without children	18.2 (21)	13.0 (16)	11.1 (17)	
<i>Age</i>				$\chi^2=29.77$, $p<0.01$
18–20 years old	14.3 (17)	15.2 (19)	12.8 (20)	
21–25 years old	50.4 (60)	27.2 (34)	42.9 (67)	
26–30 years old	13.4 (16)	11.2 (14)	14.1 (22)	
31–35 years old	15.1 (18)	25.6 (32)	12.2 (19)	
36–40 years old	5.9 (7)	8 (10)	4.8 (10)	
>40 years old	0.8 (1)	12.8 (16)	11.5 (18)	
<i>Monthly income</i>				$\chi^2=27.16$, $p<0.01$
≤RMB 3000 (≤482 USD)	56.7 (68)	38 (46)	51.6 (80)	
RMB 3001–7000 (483–1124 USD)	20 (24)	14.9 (18)	25.2 (39)	
RMB 7001–11,000 (1125–1767 USD)	7.5 (9)	18.2 (22)	12.3 (19)	
RMB 11,001–15,000 (1768–2409 USD)	8.3 (10)	11.6 (14)	4.5 (7)	
RMB >15,000 (>2409 USD)	7.5 (9)	17.4 (21)	6.5 (10)	
<i>Employment status</i>				$\chi^2=11.46$, $p<0.05$
Full-time	43.7 (52)	63.2 (79)	51.9 (81)	
Student	52.1 (62)	35.2 (44)	46.8 (73)	
Other	4.2 (5)	1.6 (2)	1.3 (2)	

Note: Frq. indicates the frequency count of respondents in each cell.

Table 3. Factor analysis results for motivation.

Motives for travel to Western Europe	Factor loading	Communalities	Mean
F1: Self-fulfilment & Socialisation ($\alpha=0.77$), eigenvalue =2.63, % of variance explained = 21.88)			
Interact with local people from Western Europe	0.755	0.586	4.09
To feel free and independent	0.752	0.672	4.32
To challenge yourself	0.751	0.605	3.60
To party and be entertained	0.701	0.573	3.64
To find thrills, excitement and adventure	0.588	0.591	4.43
F2: Cultural/natural attractions & learning ($\alpha=0.68$), eigenvalue =2.15, % of variance explained =17.93)			
Visit famous cultural and historical attractions	0.786	0.666	4.41
Visit destinations that others think are worth visiting	0.640	0.623	5.40
Fulfil your curiosity about Western Europe	0.612	0.424	4.67
Learn about the history and culture of Western Europe	0.543	0.454	4.66
See some beautiful natural scenery	0.527	0.580	5.51
F3: Relaxation (eigenvalue=1.27, % of variance explained = 10.59)			
Physically relaxing and resting during the holiday	0.823	0.734	5.41
F4: Shopping (eigenvalue=1.21, % of variance explained =10.08)			
Go shopping for Western European products unavailable or too much expensive in China	0.846	0.750	3.51

Table 4. ANOVA results for motivation factors.

Motivation Factors	Clusters	Mean	F-value	Sig. level
F1: Self-fulfilment & socialisation	Cluster I Cluster II Cluster III	3.89 3.75 4.33	7.28	.001
F2: Natural/cultural attractions & learning	Cluster I Cluster II Cluster III	4.42 5.04 5.29	23.10	.001
F3: Relaxation	Cluster I Cluster II Cluster III	4.75 5.50 5.87	20.03	.000
F4: Shopping	Cluster I Cluster II Cluster III	3.72 3.02 3.77	6.69	.001

Table 6. Chi-square results on travel characteristics.

Travel characteristics	Cluster I % (Frq.)	Cluster II % (Frq.)	Cluster III % (Frq.)	Significance
<i>Main purpose of travel</i>				$\chi^2=3.19$, $p>0.05$
Holiday	78.3 (94)	79.4 (100)	85.9 (134)	
Other purposes	21.7 (26)	20.6 (26)	14.1 (22)	
<i>Length of stay</i>				$\chi^2=50.43$, $p<0.001$
<1 week	25.4 (30)	8 (10)	6.4 (10)	
1–2 weeks	35.6 (42)	55.2 (69)	52.6 (82)	
3–4 weeks	11.9 (14)	13.6 (17)	10.9 (17)	
1 month	10.2 (12)	8 (10)	15.4 (24)	
2–3 months	5.9 (7)	0.8 (1)	1.9 (3)	
4–6 months	4.2 (5)	9.6 (12)	1.9 (3)	
>6 months	6.8 (8)	4.8 (6)	10.9 (17)	
<i>Person travelling with</i>				$\chi^2=15.96$, $p<0.05$
Alone	17.5 (20)	10.5 (13)	8.4 (13)	
Friends	18.4 (21)	26.6 (33)	22.6 (35)	
Family	32.5 (37)	40.3 (50)	43.9 (68)	
Partner	26.3 (30)	13.7 (17)	20.6 (32)	
Multiple options	5.3 (6)	8.9 (11)	4.5 (7)	

Note: Frq. indicates the frequency count of respondents in each cell.